

## ADOPTED 2006 BUDGET

DEPT: MEDICARE PART D REVENUE

UNIT NO. 1969  
FUND: General - 0001

### OPERATING AUTHORITY & PURPOSE

Pursuant to the provisions of Section 59.51(2) of the Wisconsin Statutes, the County Board may represent the County and have management of the

business and concerns in all cases where no other provision is made.

BUDGET SUMMARY			
	2004 <u>Actual</u>	2005 <u>Budget</u>	2006 <u>Budget</u>
Medicare Part D Revenue	\$ 0	\$ 0	\$ 2,639,936

### BUDGET HIGHLIGHTS

- Under the Medicare Prescription Drug Improvement and Modernization Act of 2003 and implementing regulations at 42 C.F.R. subpart R, plan sponsors (employers, unions) who offer prescription drug coverage to their qualified covered retirees, are eligible to receive a 28% tax-free subsidy for allowable drug costs. In order to qualify, plan sponsors must submit a complete application to the Centers for Medicare and Medicaid Services (CMS) with a list of retirees for whom it intends to collect the

subsidy. It is estimated that revenues to the County under this program will be approximately \$2,639,936. Because this is a new Federal program, formulas and benefit levels remain uncertain, as does the timeframe for receipt of the funds. Due to these uncertainties, it is recommended that any revenues derived through this program be deposited into the contingency fund and not budgeted to cover expenses.